

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Malaysia

LOCK-UP REPORT

Update (October)

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Report Highlights:

Malaysia's crude palm oil (CPO) production rose four percent to 1.6 MMT in September. PO exports dropped marginally to 1.3 MMT in September. Higher CPO output and weaker PO exports resulted in a higher carry-out stock at the end of September. In line with a softer global oilseed market, the monthly average delivered CPO price declined to RM2,161/MT in October.

Post:

Kuala Lumpur

Executive Summary:

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose four percent to 1.6 MMT in September 2009. Peninsular Malaysia's production dropped 2.2 percent while East Malaysia's output rose 13.4 percent. Compared to September 2008, output during September 2009 was 1.4 percent lower. The palms are still experiencing a seasonal uptrend in output phase albeit a much lower pace. Post now expects CPO output to be about 4.7 TMT during Jan-Mar quarter.

Price

Faced with a softer global oilseed market, the monthly average delivered CPO price declined from RM2,232/MT in September to RM2,161/MT in October. For comparison, the average CPO price for October 2008 was RM1,752/MT. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also declined marginally from US\$663/MT in September to US\$662/MT in October.

Stocks

Higher CPO output and weaker PO exports resulted in a higher stock level at the end of September. Compared to September 2008, the stock level is lower by 373 TMT.

Trade

A preliminary official report shows PO exports declined by one percent to 1.3 MMT in September. Cargo surveyor Societe Generale reported Malaysian palm oil exports rose 6.8 percent to 1.1 MMT during October 1-25 compared to the corresponding period in September.

Exchange Rate: RM3.476 (Sep 28, 2009); RM3.434 (Oct 29, 2009)

Other Relevant Reports

Oilseeds & Products Annual (AGR Number MY9008)

<http://www.fas.usda.gov/gainfiles/200903/146337529.doc>

Oilseeds & Products: Lock-up Report October 2009 (ARG Number MY9032)

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/LOCK-UP%20REPORT_Kuala%20Lumpur_Malaysia_10-2-2009.pdf

Author Defined:

Annual Situation

Changes in the PS&D table reflect a slight reduction for CPO production and domestic use for 2008/09 which resulted in a small drop in ending stocks.

	Revised 2007/08	Prelim 2008/09	Forecast 2009/10
(1,000 MT)			
Beg Stock	1,462	1,951	1,578
Production	17,567	17,256	18,200
Imports	462	829	700
Total Supply	19,491	20,036	20,478
Exports	14,644	16,082	15,880
Domestic Use	2,896	2,376	2,998
Ending Stock	1,951	1,578	1,600

Quarterly Production for Palm Oil

	2008 1/	2009 2/	2008 1/	2009 2/
	Apr- Jun	Apr- Jun	Jul-Sep	Jul-Sep
(1,000 MT)				
Beg Stocks 3/	1,825	1,366	2,034	1,408
Prod- Pen. Mal	2,432	2,467	2,709	2,705
- East Mal	1,823	1,660	2,029	1,839
- Total	4,255	4,127	4,738	4,544
Imports	139	241	78	309
Total Supply	6,219	5,736	6,850	6,261

Exports 4/	3,663	3,830	3,899	4,085
Dom Disap 5/	552	496	1,000	598
End Stocks	2,034	1,408	1,951	1,578

1/ Revised;

2/ Forecast;

3/ Stocks include crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate and all intra-Malaysia trade;

5/ Residual

Production

	2008	2008	2009	2009
	Sep	Jan-Sep	Sep	Jan-Sep
(1000 MT)				
CPO:				
Pen. Malaysia	877	7,448	870	7,364
East Malaysia	702	5,792	687	5,098
- Total /1	1,579	12,940	1,557	12,462
Palm Kernel: Malaysia	403	3,335	386	3,200
Palm Kernel Oil: Malaysia	189	1,552	158	1,483
Palm Kernel Meal: Malaysia	208	1,718	174	1,639

1/ Revised

Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Oct 2008	1,752	538	580	422
Nov	1,528	483	512	347
Dec	1,562	489	526	331
Jan 2009	1,842	575	609	438
Feb	1,898	583	600	430
Mar	2,027	577	613	446
Apr	2,402	679	744	576
May	2,744	820	832	754
Jun	2,445	742	741	706
Jul	2,115	623	646	576
Aug	2,412	707	729	652
Sep 2/	2,232	663	691	631
Oct (till 27)	2,161	662	681	621

1/ Prices are for West Malaysia only (since October 2006),

2/ Revised

Exchange Rate: RM3.476 (Sep 28, 2009); RM3.434 (Oct 29, 2009)

Stocks

	2008	2009	2009	2009
	Sep	Jul	Aug 1/	Sep
(1,000 MT)				
Crude P. Oil	1,090	657	685	884
Processed PO	861	675	731	694
- Total PO	1,951	1,332	1,416	1,578
Palm Kernel	157	106	102	143
P. Kernel Oil	303	266	271	237

1/ Revised